

COUNTERCLAIMS

Introduction

1. Louboutin denies the allegations contained in Paragraph 1 of the Counterclaims.
2. Louboutin is without knowledge or information sufficient to form a belief as to the truth or falsity of allegations concerning the “use of red outsoles for their ornamental qualities” by YSL and third parties and the attention such footwear has received, if any, in fashion industry publications and denies the remaining allegations contained in Paragraph 2 of the Counterclaims.
3. Louboutin is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations relating to the period of time that YSL has sold shoes with red outsoles and denies the remaining allegations contained in Paragraph 3 of the Counterclaims.
4. Louboutin denies the allegations contained in Paragraph 4 of the Counterclaims.
5. Louboutin denies the allegations contained in Paragraph 5 of the Counterclaims.
6. Louboutin denies the allegations contained in Paragraph 6 of the Counterclaims.
7. Louboutin denies the allegations contained in Paragraph 7 of the Counterclaims.
8. The allegations contained in Paragraph 8 of the Counterclaims purport to describe the nature of the relief sought by YSL, and therefore no responsive pleading is required. To the extent Paragraph 8 makes factual allegations, they are denied.

Jurisdiction and Venue

9. Louboutin admits the allegations contained in Paragraph 9 of the Counterclaims.
10. Louboutin admits the allegations contained in Paragraph 10 of the Counterclaims.
11. Louboutin admits the allegations contained in Paragraph 11 of the Counterclaims.

The Parties

12. Louboutin admits the allegations contained in Paragraph 12 of the Counterclaims.

13. Louboutin admits the allegations contained in Paragraph 13 of the Counterclaims.

14. Louboutin admits that Counterclaim-Plaintiff has its principal place of business at 7, Avenue Geoge V, Paris 75008, France, and is without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations contained in Paragraph 14 of the Counterclaims.

15. Louboutin admits the allegations contained in Paragraph 15 of the Counterclaims.

16. Louboutin admits the allegations contained in Paragraph 16 of the Counterclaims.

17. Louboutin admits the allegations contained in Paragraph 17 of the Counterclaims.

The YSL Brand

18. Louboutin is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 18 of the Counterclaims.

19. Louboutin is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 19 of the Counterclaims.

20. Louboutin is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 20 of the Counterclaims.

YSL's Historical Use of Red Outsoles

21. Louboutin is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 21 of the Counterclaims, except denies any use by YSL of a red sole was frequent.

22. Louboutin admits that red outsoles have appeared on YSL footwear models Tribute, Tribtoo, Palais and Woodstock in the Cruise 2011 collection, and denies knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations contained in Paragraph 22 of the Counterclaims.

23. Louboutin is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 23 of the Counterclaims.

24. Louboutin denies the allegations contained in Paragraph 24 of the Counterclaims.

Third Party Use of Red Outsoles

25. Louboutin is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 25 of the Counterclaims, except denies that any third party user of a red sole has received broad media coverage in the United States except Louboutin.

Louboutin's Contested Marks

26. Louboutin denies the allegations contained in Paragraph 26 of the Counterclaims.

27. Louboutin admits the allegations contained in Paragraph 27 of the Counterclaims, except denies that its primary cause of action is based only on U.S. Reg. No. 3,361,597 and denies that U.S. Reg. No. 3,376,197 is limited to red outsoles on footwear.

28. Louboutin denies the allegations contained in Paragraph 28 of the Counterclaims.

Louboutin's Bad Faith and Unlawful Interference with YSL's Business

29. Louboutin admits that it contacted YSL regarding the Tribute, Tribtoo, Palais and Woodstock models in January 2011 and that YSL refused to stop selling Tribute, Tribtoo, Palais and Woodstock models bearing red outsoles and denies the remaining allegations contained in Paragraph 29 of the Counterclaims.

30. Louboutin admits that it sent a letter to YSL on March 14, 2011 and that it filed its Complaint and motion papers on April 7, 2011 and denies the remaining allegations contained in Paragraph 30 of the Counterclaims.

31. Louboutin denies the allegations contained in Paragraph 31 of the Counterclaims.

32. Louboutin denies the allegations contained in Paragraph 32 of the Counterclaims.

33. Louboutin denies the allegations contained in Paragraph 33 of the Counterclaims.

Answer to the First Counterclaim

Cancellation of Marks under 15 U.S.C. §§ 1119, 1052(f) [Lack of Distinctiveness]

34. Louboutin repeats and realleges with the same force and effect as though fully set forth here in full, its answer to each and every allegation contained in each paragraph incorporated by reference in Paragraph 34 of the Counterclaims.

35. Louboutin denies the characterization of its United States Trademark Registrations as "Contested Marks," denies that they were fraudulently obtained or are invalid, and admits the remaining allegations contained in Paragraph 35 of the Counterclaims.

36. Louboutin denies the allegations contained in Paragraph 36 of the Counterclaims.

37. Louboutin denies the allegations contained in Paragraph 37 of the Counterclaims.

38. Louboutin denies the allegations contained in Paragraph 38 of the Counterclaims.

39. Louboutin denies the allegations contained in Paragraph 39 of the Counterclaims.

Answer to the Second Counterclaim

Cancellation of Marks under §§ 15 U.S.C. 1119, 1064(3) [Fraud on the USPTO]

40. Louboutin repeats and realleges with the same force and effect as though fully set forth here in full, its answer to each and every allegation contained in each paragraph incorporated by reference in Paragraph 40 of the Counterclaims.

41. Louboutin denies the allegations contained in Paragraph 41 of the Counterclaims.

42. Louboutin denies the allegations contained in Paragraph 42 of the Counterclaims.

43. Louboutin denies the allegations contained in Paragraph 43 of the Counterclaims.

44. Louboutin denies the allegations contained in Paragraph 44 of the Counterclaims.

Answer to the Third Counterclaim

Cancellation of Marks under 15 U.S.C §§ 1119, 1064(3) [Functionality]

45. Louboutin repeats and realleges with the same force and effect as though fully set forth here in full, its answer to each and every allegation contained in each paragraph incorporated by reference in Paragraph 45 of the Counterclaims.

46. Louboutin denies the allegations contained in Paragraph 46 of the Counterclaims.

47. Louboutin denies the allegations contained in Paragraph 47 of the Counterclaims.

48. Louboutin denies the allegations contained in Paragraph 48 of the Counterclaims.

Answer to the Fourth Counterclaim

Tortious Interference with Business Relations

49. Louboutin repeats and realleges with the same force and effect as though fully set forth here in full, its answer to each and every allegation contained in each paragraph incorporated by reference in Paragraph 49 of the Counterclaims.

- 50. Louboutin denies the allegations contained in Paragraph 50 of the Counterclaims.
- 51. Louboutin denies the allegations contained in Paragraph 51 of the Counterclaims.
- 52. Louboutin denies the allegations contained in Paragraph 52 of the Counterclaims.

Answer to the Fifth Counterclaim
Unfair Competition

53. Louboutin repeats and realleges with the same force and effect as though fully set forth here in full, its answer to each and every allegation contained in each paragraph incorporated by reference in Paragraph 53 of the Counterclaims.

- 54. Louboutin denies the allegations contained in Paragraph 54 of the Counterclaims.
- 55. Louboutin denies the allegations contained in Paragraph 55 of the Counterclaims.

YSL'S PRAYER FOR RELIEF

Louboutin denies that YSL is entitled to any relief.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

56. YSL fails to state counterclaims against Louboutin upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

57. YSL's counterclaims are barred either in whole or in part by the doctrines of waiver, laches, and/or estoppel.

THIRD AFFIRMATIVE DEFENSE

58. YSL's counterclaims are barred, in whole or in part, by the doctrine of unclean hands.

FOURTH AFFIRMATIVE DEFENSE

59. YSL's counterclaims are barred, in whole or in part, because all of Louboutin's activities were undertaken and conducted in good faith.

FIFTH AFFIRMATIVE DEFENSE

60. YSL failed to plead its counterclaim for fraud on the U.S. Patent and Trademark with the particularity required by Fed. R. Civ. P. 9(b).

SIXTH AFFIRMATIVE DEFENSE

61. YSL has sustained no actual damages caused by Louboutin.

SEVENTH AFFIRMATIVE DEFENSE

62. YSL's alleged damages, if any, must be reduced in whole or in part, by the amount that it was able to mitigate such alleged damages, or by the amount YSL failed to mitigate its alleged damages.

EIGHTH AFFIRMATIVE DEFENSE

63. YSL fails to state counterclaims upon which an award of punitive damages or attorneys' fees can be granted.

Louboutin hereby gives notice that it intends to rely upon such other defenses as may become available or apparent during the course of this action and thus reserves the right to amend this list to assert such defenses.

JURY DEMAND

Louboutin demands trial by jury on all claims, including YSL's Counterclaims.

WHEREFORE, Plaintiffs/Counterclaim-Defendants Christian Louboutin S.A., Christian Louboutin, L.L.C. and Christian Louboutin respectfully request that this Court dismiss Defendants/Counterclaim-Plaintiffs Yves Saint Laurent America, Inc., Yves Saint Laurent

America Holding, Inc. and Yves Saint Laurent S.A.S.'s Counterclaims with prejudice, deny YSL any relief, award to Louboutin its costs, disbursements and attorney's fees, and grant such other relief to Louboutin as the Court may deem just and warranted.

Dated: June 10, 2011

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